




Date: June 21, 2004  
To: Mayor and Members of the City Council  
From:  Gerald R. Miller, City Manager  
Subject: Responses to June 15, 2004 Budget Workshop Requested Items

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The fifth in a series of City Council Budget Workshops was held on June 15, 2004, to provide a Proposed Updated Three-Year Financial Strategic Plan (Plan). During this session, Councilmembers requested the following additional information regarding specific areas of the Proposed Updated Plan. Some questions were answered at the workshop, others are answered below, while several will require additional research. The information requests, along with staff responses for those that are available, or status for those requiring further research, are listed below by requesting Councilperson.

#### PROPOSED THREE-YEAR FINANCIAL STRATEGIC PLAN UPDATE

**Requesting Councilmember: Baker**

**1. Where did Proposed Updated Plan come from?**

An update to the Three-Year Financial Strategic Plan was envisioned in the original document as proposed in January 2003, and as endorsed by the City Council on March 25, 2003. The Plan was designed to be a living document that must be updated annually to capture and reflect the changing fiscal and service delivery environment and to ensure that the cost/service reductions and revenue enhancing ideas were appropriate and reflected the will of the community. The City Manager stated in the March 18, 2003 City Council letter transmitting the Endorsed Plan that, "The Plan is a working document by which expenditure and revenue targets are established to rationally address the City's growing structural deficit... over the three-year period covered by the Plan, it is reasonable to expect heretofore-unforeseen expenses to arise, necessitating further amendment of the Plan to accommodate these additional needs."

In the June 2003 Proposed FY 04 Budget, the City Manager's Budget Transmittal Message communicated to the City Council that the structural deficit had grown from a projected \$90 million over three years to \$105 million over the same three-year period:

*"Unfortunately, costs associated with workers' compensation, health benefits and general liability insurance have continued to increase, pushing the structural gap between ongoing General Fund expenditures and revenue beyond our preliminary estimates. As a result, we are now projecting a FY 04 structural deficit approaching \$67 million, expanding the three-year gap to an estimated \$105 million. These estimates are subject to change based upon external economic conditions, and will be monitored closely as assumptions change."*

In the same Transmittal Letter, the City Manager expressed the need to update the Plan to address this cost growth:

*"To best reflect continuing changes in community needs, legal requirements and the fiscal environment, the Plan must be continuously updated in order to successfully address emerging community issues and financial concerns, and to capitalize on financial opportunities."*

Progress on the update of the Plan was continually communicated to the City Council, including in a February 10, 2004 City Council letter regarding the Budget Evaluation Process Update for Fiscal Year 2005. The Proposed Updated Plan presented to the City Council on June 15, 2004 represents the culmination of six months of cost-cutting proposals, discussions and deliberation amongst all City Manager-department directors and employees throughout the organization, and provides additional recommendations to address the growth in the structural deficit.

**2. Does the Proposed Updated Plan preserve public safety, youth, senior and code enforcement services.**

While some of the recommended reductions in the Proposed Updated Plan do impact these core areas, such impacts have been limited to the maximum extent possible.

**3. Why would we consider contracting-out Crossing Guards?**

In the recent Council-requested Management Review of the Crossing Guard Program (attached), staff did a comparative analysis with other cities to determine how our costs compare to surrounding jurisdictions. This analysis looked at wages, work-hours, method of service provision, number of guards and total cost of the program, and calculated a cost-per-guard in order to fairly compare the different cities.

The results showed that the City of Long Beach, with a total cost of \$1.5 million, had the highest cost-per-guard in Fiscal Year 2004 (these permanent part-time positions are eligible for a City pension, accumulate holiday, vacation and sick time similar to full-time City employees, but do not receive City health insurance - they receive \$400 for every 174 hours worked as an in-lieu health insurance payment), as well as the highest average number of hours worked per day. In comparison, the city with the lowest cost-per-guard was Bellflower, which contracts for the service with a private company. The study showed that Bellflower's cost-per-guard was 60 percent lower than the City of Long Beach. Bellflower has been able to reduce their Workers' Compensation costs, is ensured that a set number of trained guards are available when needed, receive guards that are properly and thoroughly backgrounded, and still retain control over the training regimen and placement of guards. Given the fiscal crisis the City is experiencing, the Police Department recommended to the City Manager to contract for this service in order to save significant General Fund dollars and avoid reductions to more core Public Safety functions. Since it is anticipated that this would take place through attrition, as current crossing guards retire or resign, only ¼ of the savings, or \$200,000 is anticipated in FY 05.

**4. Would a Prop L finding be required for contracting-out crossing guard services?**

Like all other major contracting proposals for services currently provided by City employees, a Prop L process would be required for crossing guards. The City would utilize its Contracting Evaluation Process to engage employees involved in delivering the current service to develop an endorsed set of service specifications upon which employee, City and private sector contractor proposals can be based. An objective analysis would then be performed to determine the most cost-effective approach.

**5. Would the contracting-out of parking enforcement lead to over-enforcement?**

A City contract with a private firm to provide parking enforcement services, if managed effectively, would not be an abdication of the City's rights and ability to monitor and control the performance of the contractor. The City will maintain contract monitors on staff to ensure the proper performance of such a contract. Also, the City can choose to include in the terms and conditions of the contract that predatory enforcement will not be tolerated and will be deemed a violation of the contract, leading to immediate termination and/or penalties. Performance incentives may not be tied to the number of tickets written or dollar value of fines levied.

**6. Clarify meaning of pro-bono in FY 06 for Municipal Band concerts.**

There was a misstatement in the workshop. To clarify, there is no intention to solicit the current professional musicians to volunteer, nor will the City seek free performances from aspiring artists. The direction being proposed is that in FY 06 (Summer 2007), the City will no longer employ non-career seasonal musicians (traditionally Hollywood studio musicians) to perform as the Municipal Band. As an alternative, the City will hire local bands (e.g., the Elm Street Band) to perform during the 6-week season, while expanding the locations for performances from four park sites to citywide. It is anticipated that this restructuring will provide opportunities for community members in underserved areas of the city to enjoy this traditional summer experience.

Savings of \$177,000 will be realized through reduced personnel expenses and related contractual savings for the Band Leader. Approximately \$96,000 will be retained in the Parks, Recreation and Marine budget to provide concert logistics and to hire local talent. As it currently stands, only 5 of 67 Municipal Band musicians are Long Beach residents. Decisions regarding new locations will be made as the 2006 Municipal Band concert season nears.

**7. Of the total 267 positions impacted by the Plan in FY 05, how many are sworn positions? Why do we have so many public safety vacancies?**

Only 3 of the 267 positions proposed for reduction are sworn personnel. The Fire Department recommended reducing staffing on their last 5-person staffed ladder truck to 4 firefighters. While this item represents only one floor position, three firefighters are required to provide constant staffing. This is not projected to have an impact on services, as the other ladder trucks in the department are currently operating under this staffing model. The impacted firefighters will be absorbed within other sworn vacancies in the department.

Of the 707 citywide vacancies (as of June 15, 2004), 112 are sworn positions. These vacancies are the result of naturally high turnover amongst emergency dispatchers and attrition due to retirements. The rigorous academy process entailed to train and hire new firefighters and police officers makes it all the more challenging to maintain full strength of force within both the Police and Fire Departments. In an effort to reduce the number of safety vacancies, the City Manager has approved a 100-recruit Police Academy, which begins this summer, bringing in 40 more recruits into the Academy than the normal class size. A Fire academy class of approximately 24-28 Fire Recruits will begin in September 2004. The Fire Department is also considering a second academy class during FY 05, but is waiting until the Fire Services study is complete before making a final decision on the necessity of this option. Both departments also attempted to hire experienced personnel from other agencies ("laterals") this past year; however, those efforts were not as successful as hoped.

**8. How will automated front desk service at substations work? Is this contrary to intent of neighborhood substations?**

The Police Department currently employs Security Officers (SOs) to provide front desk coverage at all police substations. This Plan item would eliminate the civilian SOs providing this service at the North, West and East substations during the evening hours (7:00 p.m. to 7:00 a.m.), and in their place provide a telephonic connection with the business desk located at the Department's Headquarters. While there will be police personnel at each substation 24 hours a day, an appointment system with this staff will need to be initiated for evening meetings and other community events. The business desk will contact substation personnel for matters that cannot be handled on a self-serve basis (many customers come to substations only requiring information about police services, which is available in printed form).

**9. Explain \$1.2 million Pike Bond shortfall and, in more detail, the Pike and Aquarium bond funding mechanisms and options.**

Numerous City Council letters relating to the Pike Project and the Pike Garage Bond in particular, describing the General Fund as backing the bond payments, have been transmitted to the City Council during and after the Pike Project approval process. Staff is preparing a summary memo with copies of the subject letters attached, which will be transmitted to the Mayor and City Council under separate cover.

**Requesting Councilmember: Lowenthal**

**10. Have programs initiated using one-time City Council discretionary funds become on-going expenses, or have they been eliminated through the Plan?**

It has been, and remains City policy to remove from the budget in the immediately subsequent fiscal year all budgeted activities initiated with one-time resources. This has been the case with programs initiated with City Council discretionary funds, with few exceptions, including \$10,000 for Youth Services Coordination, \$15,000 for the Midnight Basketball program and \$50,000 for a 6<sup>th</sup> District Senior Transportation Program (now budgeted using Prop A transportation funds).

Beyond the discretionary fund additions to the General Fund budget, the City Manager, as part of the comprehensive review of the cost reduction ideas, directed the Executive Management Team to identify and review other programs added to the budget over the past seven years (a list of enhancements was distributed to the City Council on March 5, 2004) for possible reduction if appropriate, through the Plan. Staff will continue to monitor the performance of these recently added initiatives when considering additional cost reduction ideas.

**11. If Main Library is closed on Monday in FY 06, what alternative is available for constituents in the First District?**

As with the recently initiated rolling closures of neighborhood branches and the closure of the Main Library on Sundays, community members have had to make adjustments to their schedules and geographic choices to receive services from the Library system. The closure of the Main Library in FY 06, should private or outside funding not be found, will have a significant impact on local residents, students of all ages and residents throughout the City. The Main Library and North Branch are the only Library facilities currently open on Mondays. Rather than have a second day in the week without any library services in most of the city (libraries are no longer open on Sundays), the rolling closure schedule would have to be modified to provide Monday service. This would result in more libraries closed on other days, including Saturdays. Also, the Long Beach Public Library has a reciprocal use relationship with libraries in surrounding jurisdictions, which may provide some options for Sundays and Mondays. Despite these alternate sites and scheduling modifications, it will be the case that some patrons seeking library service will not be served.

**12. What is meant by increased cost recovery? What are some examples of successes in FY 04?**

One of the primary tenets of the Plan since its inception, and as memorialized in the City Council's Adopted Financial Policies, is to improve the recovery of service-delivery costs through the City's fees and fines. During FY 04, the City has increased certain fees to bridge the gap between costs and income, including increased Fire Plan Check fees, after hours pick-up charges at the tow yard and animal control fees. The current Fee Study is reviewing the cost calculation-methodology, policies and procedures associated with the setting of rates to further ensure the achievement of this goal.

**13. Did the 15 Percent Business License Discount Program sunset?**

The 15 Percent Business License Discount program did sunset during FY 03. As a result, it is estimated that \$758,000 in revenue (previously collected by the City prior to the program's implementation) will again be generated in FY 04, which is included in the Plan for FY 04.

**14. How much CDBG funding is used to support infrastructure projects in CDBG-eligible areas?**

Some Community Development Block Grant (CDBG) funds are intended to remove blight in communities through "bricks and mortar" projects, physical projects that improve the state of neighborhoods. As such, CDBG funds have been used to support infrastructure projects in CDBG-eligible areas for both alley/sidewalk and ADA improvements.

In FY 04, CDBG support for these projects was \$2.4 million (\$1.7 million for ADA improvements and \$730,000 for sidewalks and alleys), allowing the City to maintain its commitment to the ADA implementation plan as well as focus sidewalk/alley repairs in some of the city's most blighted areas. Given the progress that was made during FY 04, it is proposed that CDBG support for these programs in FY 05 continue, but at a reduced level of \$1.1 million for sidewalk repairs.

**15. What is the proposed fate of the Mobile Recreation Program?**

The Mobile Recreation program serves youth in neighborhoods that do not have access to permanent recreational facilities, utilizing two trucks, two days per week, providing arts and crafts, basketball, board games, street hockey and various other activities. During the summer months, the Mobile Recreation Program operates five days per week in neighborhoods on a rotating basis. The proposed modification to the Mobile Recreation Program will suspend services in non-CDBG eligible areas of the city, while maintaining these services at multiple locations within ten of the city's neighborhoods that are most underserved by traditional recreation facilities. It is anticipated that this realignment of services will save the General Fund \$60,000 annually, while maintaining \$51,732 of current CDBG-funded services.

**16. What is Project Development Revenue Support?**

In early 2003, all of the City's major development efforts were consolidated into a Project Development Bureau within the Department of Community Development. This new Bureau specializes in managing large development projects where significant developer interest exists. The Bureau provides services including negotiation of development agreements, benefit analysis, oversight of the City's entitlement process and project implementation. Developers are charged fees for certain of these services, which are anticipated to generate \$200,000 in revenue for the General Fund in FY 05, and reimburse all City costs associated with their potential project.

Current projects include master planning efforts and coordination with Boeing Realty Company for their 260-acre "PacifiCenter" project located adjacent to the Long Beach Airport, as well as Seaport Hotel development.

**Requesting Councilmember: Richardson**

**17. Can we add Emergency Reserves to the list of City Council Adopted Financial Policies?**

In communications and presentations that mention the City's financial policies, staff will more clearly depict the components of the General Fund Reserves, which consist of the Emergency Reserve and the Operating Reserve. While the title of Financial Policy is "General Fund Reserves," that policy addresses specific reserves within the General Fund. The policy in its entirety states that, "The City shall maintain an *Emergency Reserve* equivalent to 10 percent of General Fund recurring expenditures and an *Operating Reserve* equivalent to 10 percent of General Fund recurring expenditures. If these reserves are used, a plan will be developed and implemented to replenish the funds used."

**18. Would it be possible to utilize summer interns to compile fee information from other jurisdictions to capture fee increase opportunities sooner?**

Staff shares the City Council's sense of urgency to complete the study of the City's fees and make appropriate adjustments to increase cost recovery. The collection of accurate, comparative information is critical and therefore an important component of the professional fee analysis currently underway. Comparative data, though important, is not the only criterion that should be considered when setting fees for services, as operational and financial realities vary considerably from jurisdiction to jurisdiction. Also, by law the City is restricted to only charging and collecting the cost of services. Therefore it is critical that the City fully understands its costs and cost allocation methodologies. The City Manager, with City Council approval granted on June 1, 2004, has engaged an outside finance advisor, Public Resource Management Group (PRM), to not only collect and analyze comparative data, but also to:

- Review the City's rationale and methodology for calculating overhead, direct, indirect and capital costs factored into the establishment of fees.
- Perform a "gap analysis" to determine where cost recovery discrepancies may exist when applying a consistent costing methodology.
- Document current administrative practices and policies with respect to the establishment and adjustment of fees.
- Develop a citywide user fee manual to provide guidelines for the City's costing methodology, fee development policies and practices.

PRM is performing an initial review of key fees in selected departments to be considered for immediate adjustment in the FY 05 Proposed Budget. This initial phase is not meant to be a comprehensive exercise, as recommendations for full cost recovery cannot be made until the study is complete. For the second phase, PRM will generate additional recommendations for fee increases (and possibly decreases) for all City departments. However, PRM has been directed to report all potential fee increases as they progress through their review. Given the large number of services provided by the City, and the multitude of different fees that are or could be charged, this type of analysis is complex and requires dedicated staff with expertise in cost recovery techniques.

**19. Have contracting-in opportunities been considered equally through the optimization process?**

Upon the City Council's early direction during Plan deliberations in 2003, the City Manager has put forth an equal effort to identify appropriate contracting-in opportunities as well as contracting-out opportunities. As of March 31, 2004, the City of Long Beach has over 45 contracts in FY 04 alone to provide services to outside clients valued at \$9.5 million. Services are as diverse as security (Long Beach Towne Center, Long Beach Unified School District – LBUSD, Long Beach Transit, Long Beach Community College - LBCC), Animal Control (Signal Hill, Cerritos, Seal Beach and Los Alamitos), lease of office space (California Employment Development Department), fuel tank usage (LBUSD), water services (Lakewood, Hawaiian Gardens) and radio equipment maintenance (Cerritos, LBCC, Long Beach Transit, St. Mary's Medical Center).

The City is also proactively exploring opportunities for contracting-in with other agencies and jurisdictions. Productive discussions between the City and LBUSD have identified approximately 33 potential partnering areas, which include contracting-in and cost-sharing opportunities. Two potential areas to contract-in services for LBUSD may be refuse services and radio infrastructure and maintenance. The City currently provides recycling services to LBUSD; however, refuse service is provided by in-house staff. The City may be in a position to contract-in refuse services for all LBUSD schools, providing cost-savings for the school district and additional revenue for the City. The Department of Technology Services is also exploring an opportunity to strengthen the LBUSD's radio coverage by installing new equipment as well as providing ongoing maintenance to their infrastructure and equipment. City and LBUSD staff is currently performing cost-benefit analyses on these potential opportunities and will begin negotiating agreements if they prove to be feasible.

Given the City's escalating labor and overhead costs; however, it is becoming more difficult to be competitive with the private sector and in some cases other jurisdictions. The Plan is reducing the City's overall costs, through the reduction of vacant positions, curtailment of non-core services and optimization of internal processes (e.g., Workers' Compensation management). It is hoped that as a result of this process, and through the improvement of the City's cost allocation methodology, the City will become an organization that can provide its services to outside customers on a competitive basis and increase contracting-in opportunities beyond current levels.

**20. List reductions in administrative and support staff and additional reduction to administrative staff.**

Staff is compiling a list of departments and bureaus impacted by this reduction, and will transmit the list to the Mayor and City Council under separate cover.

**21. What is the basis for the projected savings from contracting-out in the Proposed Updated Plan?**

Over the past ten years, the City has amassed a significant body of experience in the contracting of services with the private sector. Depending on the type of service contracted, an estimated cost savings of 50 percent over the City's costs to provide the same services has proven consistently to be an accurate estimate. Savings generated from the recently approved Landscape Maintenance contract exceeded 50 percent. With the significant reductions required to balance the City's budget, contracting of services with the private sector has become a way of maintaining or enhancing services while reducing costs significantly.

With the meteoric increase in the cost of the City's labor in FY 05, 50 percent savings can almost be considered a conservative estimate for certain services. Nonetheless, analyses that estimate projected savings from contracting continues to generate a 60 percent savings factor as the basis in the Proposed Updated Plan savings.



**22. What are the specific reductions in funding for infrastructure improvements of park facilities and mini-park development?**

This proposal to reduce infrastructure maintenance will curtail by approximately 50 percent the Parks, Recreation and Marine Department's funding for replacement of irrigation systems throughout City parks, replacement of playground equipment, improvements to community centers, and other smaller infrastructure improvements citywide. The proposal to completely suspend mini-park development will impact the entire City, but staff is committed to seeking alternative funding to continue the program.

**23. What is the strategy for use of open-space if funding for mini-park development is suspended?**

Mini-park development is only one component of the City Council approved Open Space Element of the General Plan. Other strategies contained in the Element to achieve the green space targets will continue unabated. Again, staff will continue to seek private sponsorship and grant dollars to help mitigate the elimination of this program.

**24. How do we communicate to the public the reduction in annual tree trimming?**

As with all of the recommendations in the Proposed Updated Plan, the proposition to extend the tree trimming cycle will be shared with the community on several occasions throughout the Budget adoption process. Starting with last Tuesday's Budget Workshop, followed by the July 10, 2004 Budget Summit II, anticipated presentations to neighborhood and community groups in July and August and the series of scheduled budget workshops and hearings in August and September, the idea will be discussed and its merits explored. If the City Council chooses to adopt the FY 05 Budget that includes this cost savings idea, City staff will develop and transmit to community members throughout the City a revised tree trimming schedule well before crews are dispatched.

**25. Why is maintenance staff being moved to Airport when Council District facilities need work?**

Facing the elimination of these General Fund positions to achieve targeted savings levels, the Department of Public Works was able to identify alternate responsibilities for one Building Maintenance Engineer and two General Maintenance Assistants positions at the Airport. The transfer of these positions will help service HVAC units, provide back up to the Airport Electrician in helping maintain the airfield lighting system, and provide general maintenance services. A core group of "trades" positions will remain in the General Fund in order to sustain an essential level of maintenance citywide.

**26. Clarify the "Restructure Day Camps to supervised recreation model" proposal. How will program delivery services be changed?**

The Parks, Recreation and Marine Department currently operates Day Camp Programs at eight park sites - El Dorado Park West, Martin Luther King, Jr. Park, Pan Am Park, Ramona Park, Silverado Park, Stearns Park, Veterans Park and Whaley Park. Day camp programs are currently provided throughout the city by a number of non-profit and for-profit organizations/agencies. The proposed cost restructuring of the day camp service will give parents the option of either accessing non-City day camp programs or participating in the City's Summer Fun Day programs that will be offered at all City parks. Summer Fun Days provide for a drop-in program for youth, while day camps provide a fixed staffing ration for supervision of youth in the program from the time of drop-off until pick-up.

The Summer Fun Day program provides staffing to supervise park facilities but does not provide day camp program staff. To further increase options for day camps, the Department is researching the possibility of renting space to agencies that may be interested in using park facilities for their own day camps.

**27. What are the Library's specific service reductions? Could hours be altered (e.g., opening at 12:00 noon versus 10 a.m.)?**

The Department of Library Services proposes several cost reductions to meet their targeted cost savings for FY 05. Specific reductions include:

- Reduce material/book resources to just under FY 00 levels (saves \$187,000);
- Reduce materials control processing in line with reduced materials resources (saves \$53,000); and
- Further Reduce the Level of Service/Programs at ten neighborhood libraries (\$167,000).

Specifically, the reduction in the level of service at the neighborhood libraries will impact programming for youth (Summer Reading Program and other reading programs, reading readiness programs for preschoolers, and volunteer opportunities) and severely curtail outreach to schools and community organizations. While these reductions were not originally anticipated in the Endorsed Plan, additional cost savings were necessary given the increase in the structural deficit.

The Department has explored in depth the option of altering the hours of operation by reducing morning hours and expanding afternoon/evening hours.

Current Neighborhood Library hours:

<u>Mondays</u>	North Library (the only neighborhood library open on Mondays) is open from 12 to 7 p.m.
<u>Tuesdays</u>	All libraries open at 12 p.m., 4 libraries are open until 8 p.m., 2 libraries are open until 7 p.m.
<u>Wednesdays</u>	All neighborhood libraries open at 12 p.m., 2 libraries are open until 7 p.m.
<u>Thursdays</u>	All neighborhood libraries open at 12 p.m., 4 libraries are open until 8 p.m., 2 are open until 7 p.m.
<u>Fridays and Saturdays</u>	All neighborhood libraries open at 10:00 and close at 5:00 p.m. (Main Library closes at 5:30 p.m. on Friday and Saturday.)

The department already staffs to accommodate working families by providing evening hours during the week. Further reducing morning hours would create a severe impact on youth programs by either eliminating services at two libraries or reducing services by 90 percent at others. Services that would be impacted by opening later include the elimination or reduction (90 percent) in school classes visiting libraries (16,000 students visit the libraries during the school day each year), reading readiness programs (estimated 15,500 preschool and toddlers served in FY 04), access for students who are off-track from year-round schools (25 percent of enrollment at 19 LBUSD schools), and a curtailment of partnerships with community groups (e.g., the Even Start partnership with the Burnett Library which serves Spanish-speaking and Khmer-speaking families during the morning and early afternoon. There are two groups of 12 - 15 families each who visit the library in the early part of the day. Burnett also serves at least 5 Head Start sites who traditionally meet during morning hours.) Also, seniors who often prefer to run errands earlier in the day when traffic is lighter would likely be deterred from their normal use of library facilities.

**28. How will the Park Ranger Program be reduced in FY 06?**

In FY 02, the Parks, Recreation and Marine Department was given an enhancement for the Park Ranger Program, to expand the citywide presence of Park Rangers. Due to difficulties in recruitment and retention of Park Rangers, this enhancement was never fully implemented. The FY 06 Park Ranger reduction in the Proposed Updated Plan returns budget to the pre-enhancement levels, which will scale back the Park Ranger Program to regional parks only (El Dorado, Heartwell, and Recreation Parks). Since this enhancement was not fully implemented, there should not be a significant impact to the current level of services provided.

The City Manager is currently exploring the option of dedicating new, increased Parks, Recreation and Marine fee revenue to staff the Park Ranger Program to offset most of the proposed reduction, and maintain support to the Park Ranger program to partially avoid this proposed FY 06 reduction.

**29. What non-General Fund resources will be used to support expanded proactive Code Enforcement programs?**

The recently completed Code Enforcement and Nuisance Abatement Study recommended that the City implement a consistent citywide, geographically-based code enforcement service and staffing model to increase staff accountability, improve overall service delivery and generate significant cost savings to the General Fund. The study envisions that current General Fund support for proactive code enforcement programs (Code Compliance Program and Community Code Enforcement) would be suspended, given its restricted applicability. Proactive code enforcement, however, is one of the most popular and effective code enforcement programs, especially in dense areas with blight. The study's authors, Management Partners, recommended that Redevelopment Agency (RDA) funding be sought to support proactive programs in redevelopment areas. Staff is currently in discussions with the RDA regarding this proposal, in hopes that these key code enforcement programs can be maintained in our most needy neighborhoods.

**30. Explain "Transient Occupancy Tax increase shifted to Existing Fees and Taxes Category."**

The Transient Occupancy Tax (TOT) item from the Endorsed Plan was categorized as a "New Fee or Tax", and raised the TOT from 12 percent to 14 percent, generating \$2.2 million for the General Fund. The Proposed Updated Plan item increases the TOT from 12 percent to 15 percent, equally splitting the proceeds from that increase to the Convention and Visitors Bureau (CVB), the Arts community and the General Fund. The TOT item is now in the "Existing Fee and Tax" category. The change in categories was made to more accurately reflect that the TOT already exists as a tax.

**31. Can parking meters be placed at Bluff Park?**

It is possible. A response to this inquiry will be provided under separate cover after additional research is completed. It should be noted that due to the location of the lots, this could be deemed Tidelands revenue, not General Fund.

**32. What is the total number of impacted Non-Career positions recommended in the Proposed Updated Plan?**

Of the 267 impacted positions in FY 05, the number of impacted Non-Career positions proposed for elimination is approximately 56 FTE, while 7 FTE would be impacted in FY 06.

**33. Please provide a list of 5-10 alternatives for City Council consideration, should a Councilmember desire to provide a substitute for the recommendations in the Proposed Updated Plan.**

Staff is currently working to compile a list of alternative cost reduction and revenue-generating ideas. This will be provided as soon as available.

**Requesting Councilmember: Lerch**

**34. What is the status of the Emergency Reserve?**

The City's Emergency Reserve, in accordance with the City Council's Adopted Financial Policy, is funded at 10 percent of the total General Fund expenditure budget, at \$36 million.

**35. Why are crossing guards City employees, rather than employees of the LBUSD?**

The crossing guard program has been funded and administered by the Police Department for several decades. In 1979, the City proposed to eliminate the entire program in response to the fiscal crisis created by the passage of Proposition 13, which severely reduced City revenues. In response, the voters passed a voter-initiated ordinance that set specific requirements for the placement of crossing guards. This initiative does not state that a City employee must provide the service; rather it denotes that the City is responsible for funding the service. This service has historically been provided by the Long Beach Police Department, but it could also be provided by a private or public organization, such as a private contractor or the LBUSD under contract with the City.

**36. If bus shelter revenue was originally intended to support NLB PAL, can these funds be redirected if PAL is eliminated?**

The City receives approximately \$360,000 annually in bus shelter revenue from the contract with Viacom through December 2006. This is General Fund revenue that has been directed to support North PAL operating expenses. The City Council could earmark this revenue for another purpose if it so chooses. Please keep in mind, however, that the lease payments for the North PAL facility are approximately \$380,000 annually, which has several years left on the lease. Should the North PAL reduction leave the building vacant, the City will seek to find an alternate tenant to make the lease payments. Should a tenant not be found, it might be prudent to dedicate the bus shelter revenue to the lease payment to avoid allocating General Fund resources away from another program.

An additional Budget Workshop has been scheduled for June 22 to answer any additional questions you may have.

GRM:MAK

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Attachment

cc: Christine F. Shippey, Assistant City Manager  
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Reginald I. Harrison, Deputy City Manager  
All Department Heads  
Len Wood, Budget Advisor



Date: May 3, 2004

To: Mayor and Members of the City Council

From: Gerald R. Miller, City Manager  
Gary L. Burroughs, City Auditor

Subject: Management Review of the Crossing Guard Program

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Introduction

On April 22, 2003, the City Council directed the City Manager and City Auditor to provide a Management Review of the City's crossing guard program. The following memo discusses the history of the program, provides information on costs and staffing methodology, compares the City's program to other surrounding programs, discusses the process for adding or removing guards, and provides recommendations on how to improve the effectiveness of the program as well as suggested next steps.

Background

The assignment of crossing guards is governed by a voter initiative ordinance approved by the citizens of Long Beach in 1979. Prior to this mandate, the City funded crossing guards for 86 school crossings at a cost of \$689,000. With the passage of Proposition 13 in 1978, the City was forced to dramatically decrease the size of the budget in response to the large decline in revenues. As a result, the City proposed eliminating the program in Fiscal Year 1979 (FY 79)<sup>1</sup>. In response, former Mayor Tom Clark appointed five members to the School Traffic Safety Committee (STSC), including representatives from the City Council, Long Beach Unified School District (LBUSD), Parent Teacher Association (PTA), Long Beach Safety Council, and the parochial schools to study the need for adult school crossing guards. This group created guidelines for the Mayor and City Council in December 1978 on how to restructure the crossing guard program. The guidelines provided objective criteria based on the State Department of Transportation criteria for crossing guard requirements to regulate under what conditions a guard should be assigned, and when that guard should be removed. They also recommended joint responsibility between the School District, City, students and parents to create a "Suggested Route to School" plan.

The City Council adopted a resolution based on the Committee's recommendations in January 1979. In March, the voters approved a separate initiative ordinance that set minimum criteria for the assignment of guards. The criteria were the same as those approved by the Council, with the following differences:

- The voter initiative did not include the City Council resolution language on how to reassign or remove a crossing guard from a site that no longer met the criteria.

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<sup>1</sup> At that time, the Fiscal Year ran from July 1, 1978 to June 30, 1979

- The Pedestrian Safety Advisory Committee (PSAC) was created as a permanent body to make recommendations to the Council on the placement of guards.

Once the voter-approved initiative passed by a majority vote of the citizens, the initiative overrode the City Council-enacted ordinance and it is the method by which crossing guards are assigned today.

#### **Cost and Status of Current Guards**

The crossing guard program is administered and funded by the Police Department in the General Fund. The FY 04 Adopted Budget for the Police Department school crossing guard program is \$1,481,925 with 53.8 Full-Time Equivalent (FTE) positions. Crossing guards are permanent part-time positions, therefore 53.8 FTE translates to approximately 95 part-time guards. Of these 95, 87 are active and eight are Injured-On-Duty or are otherwise unable to work, which creates a significant challenge for the Police Department to ensure that sites are appropriately staffed. Crossing guards are currently paid \$9.00 per hour for the first four years of service, after which they receive \$9.64 per hour<sup>2</sup>. These permanent part-time positions are eligible for a City pension, accumulate holiday, vacation and sick time similar to full-time City employees, but do not receive City health insurance. They do receive \$400 for every 174 hours worked as an in-lieu health insurance payment. The approximate 95 crossing guards are supervised by a full-time Security Officer IV.

The cost of the crossing guard program has been fairly stable for the past six years. During that time, the cost of the program has increased by only 0.5 percent, despite the addition of four additional locations during that same time period. From FY 03 to FY 04, the budget for the crossing guard program grew by \$70,271 or 6.1 percent, due primarily to the negotiated salary increase granted to employees represented by the International Association of Machinists (IAM) union.

The following chart shows the expenditure trends for the past six years.

Fiscal Year	Adopted	Actuals	Variance	% Under Budget	Actual % Change	FTE
FY 99	\$1,488,322	\$1,474,902	\$13,420	-0.9%	N/A	59.2
FY 00	1,376,083	1,447,758	(71,675)	5.2%	-1.8%	53.2*
FY 01	1,321,558	1,292,558	29,000	-2.2%	-10.7%	53.2
FY 02	1,385,282	1,372,230	13,052	-0.9%	6.2%	53.2
FY 03	1,411,654	1,396,466	15,189	-1.1%	1.8%	53.8
FY 04 Adopted	1,481,925	1,481,925			6.1%	53.8
Average	\$1,396,580	\$1,396,783	(\$203)	0.0%	0.48%	54.5

\*Note: In FY 2000 the City converted Full Time Equivalent (FTE) hours from 2080 to 2088, which resulted in the decrease in FTEs and personnel budget.

<sup>2</sup> According to the negotiated bargaining agreement, a part-time guard must accumulate 8,350 hours (1 FTE x 4 Years) before they can advance to the higher pay rate.

There are currently 79 designated locations staffed by crossing guards, serving 42 schools. As determined by PSAC, 11 of these 79 locations require a second guard at the intersection, due primarily to the size of the intersection, traffic movements, and a large number of children crossing the intersection at all four corners. Adding the 11 second guards to the 79 locations gives a total of 90 guard assignments that require a crossing guard. The City funds 40 locations year-round while the other 39 locations are only staffed during the traditional school year. To staff these 90 assignments, the Police Department employs approximately 95 crossing guards, to ensure that all sites can be covered in the event of sickness, injury, or vacation. The Police Department has stated that staffing all these positions is particularly difficult during the school year.

Breakdown of Guard Locations and Assignments

Year-Round Guard Locations	39
School Year Only Locations	40
Total Designated Locations	79
<i>Locations with Two Guards</i>	11
Total Guard Assignments	90

Crossing guards are stationed at different types of intersections. The following chart shows that the majority of crossing guards are currently stationed at signalized intersections.

<u>Type of Locations</u>	<u>Number of Assignments</u>	<u>Percent of Total</u>
Guard Assignments at Traffic Signals	48	53%
Guard Assignments at Stop Signs	23	26%
Guard Assignments at Uncontrolled Crossings	19	21%
Total	90	100%

The Police Department has set standards for the duration of time that a crossing guard will be at the site. For the morning, the guard arrives 30 minutes before children are expected to begin arriving at school, and leaves 15 minutes after they are no longer needed. For the afternoon, they arrive 15 minutes before dismissal and stay for 30 minutes after peak use. Some guards are stationed longer than others depending on the school's special needs (such as classes that start at irregular times and Kindergarten classes) and busing requirements, which present a challenge for the Police Department, since this increases the amount of time a location needs to be staffed. Absences due to injuries create difficulties in effectively administering this program. The Police Department currently has



over 8 percent of their crossing guards who are unable to work, which increases costs due to workers' compensation claims and leaves them with a shortage of crossing guards to staff locations.

### **Cost-Per-Assignment Comparison**

The City contacted four other similar agencies to compare information on total cost of the program, number of guard assignments, wages and benefits for crossing guards, average hours worked per day and service provision method. By dividing the total cost of the program by the number of guard assignments, staff computed a cost-per-assignment ratio that allows for comparison between the various agencies. The following chart shows that Long Beach has a higher cost-per-assignment, pays a lower wage, and staffs the locations longer than the four other comparable agencies surveyed.

Jurisdiction	Cost of Program	Guard Assignments	Salary Range	Service Provision Method	Approx. Average Hours Per Day	Cost Per Assignment
City of Long Beach	\$1,481,925	90	\$9.00 - \$9.64	In-house	6 hours	\$16,466
City of Cerritos	333,920	21	12.02 - 14.97	In-house	4 hours	15,901
City of Los Angeles	6,690,000	427	10.36 - 13.15	In-house	Not Available	15,667
City of Lakewood	182,000	24	10.36 - 12.02	In-house	3.5 hours	7,583
City of Bellflower	152,535	23	7.50 - 8.00	Private Contractor	3 Hours	6,632

Note: Cost-per-assignment information is used as a proxy to compare programs in different jurisdictions. Each agency may have different methodologies for calculating cost of the program, which directly affects the cost-per-assignment calculation. Average hours per day information is approximate, and was not immediately available for the City of Los Angeles.

This cost-per-assignment comparison suggests that this program is a candidate for review and potential optimization. It appears that Long Beach's costs are higher than others due primarily to the higher number of hours worked per day. A review of best-practices and alternative service provision methods could provide the City with information on how other cities provide this service at a lower cost-per-assignment.

### **Assignment of Guards**

The voter-approved initiative (Municipal Code Section 10.68.010) sets standardized, objective criteria for the placement of crossing guards, which is based on the State traffic criteria for assigning crossing guards. These criteria were developed to rationally and objectively determine the need for this service and to depoliticize what has proven, at times, to be a very emotional issue. A request for a new guard typically originates from the LBSD or from a member of the community. These requests are submitted to the City Traffic Engineer, who conducts an investigation of the site. This includes a survey of the area, where data is collected on vehicular volume and movement, speed, number of school children crossing, and existing traffic infrastructure and traffic control devices. These results are presented to PSAC, which recommends approval or denial of the request. PSAC is composed of one representative from each Council

District, one representative from the LBUSD, the City Traffic Engineer, a representative of the non-public schools in the Long Beach area, and a representative from the PTA. If the location is approved, the recommendations are placed on the City Council agenda for formal action. Attachment A displays the criteria from the ordinance that PSAC uses to evaluate locations.

The following chart shows that over the past eight years, PSAC has determined that nine new guards meet the prescribed conditions, which is 11 percent of the total number of guards requested. In each case, PSAC studies the evidence provided by the City Traffic Engineer and then matches it to the requirements of the voter-initiated ordinance to guide their recommendation.

Number of New Requests				
Year	Requests	Recommended by Staff	PSAC Approved	Percent Approved
1995	10	0	1	10%
1996	5	2	2	40%
1997	8	0	1	13%
1998	8	0	1	13%
1999	18	3	2	11%
2000	11	1	1	9%
2001	7	0	0	0%
2002	6	1	1	17%
2003	7	0	0	0%
Total	80	7	9	11%

#### Evaluation of Current Guard Locations

Every year staff members also review a sample of the locations where crossing guards already exist to determine if those locations continue to warrant a crossing guard. Varying conditions such as changes in the traffic flow, locations and boundaries of schools, number of school children using the crossing, and recently installed traffic control devices may produce a finding that the site no longer meets the criteria described in the ordinance. PSAC reviews these findings and makes recommendations on whether the guard should stay at the current location, be moved to a different location, or be removed if it does not meet the established criteria. This review process is critical to effectively provide this service.

In 2003, staff recommended that four sites be removed because they no longer meet the criteria specified in the ordinance. PSAC has recently voted on these sites and concurred with the recommendation to remove these four guard assignments. These recommendations will be brought to the City Council as part of bi-annual deployment plan that is discussed in the next section of this report.

### **Recommendations**

After reviewing the issues surrounding crossing guards and past PSAC recommendations on how to streamline the program, staff have the following recommendations on how this program can be improved, as well as different approaches to reducing the costs of this program.

#### **1. Development of an Bi-Annual Crossing Guard Deployment Plan**

It is recommended that every two years the City develop a master crossing guard deployment plan that would be developed by PSAC in conjunction with City staff and approved by the City Council. This plan would list all the locations where crossing guards should be assigned, based on the criteria provided by the ordinance. This plan would be updated biannually to allow the City to deploy crossing guards in response to changing needs for service. The City must remain flexible so that it can provide effective service given its limited resources. This plan will allow the City to deploy on a citywide scale, and adjust guard locations and hours to fit the need for service as determined by the ordinance. For each new guard location or location to be removed or reassigned, the City would present PSAC's recommendation and the supporting evidence to reinforce the recommendation.

It is also recommended that the City review all locations and number of hours before this plan is implemented, and then set a goal of reviewing 25 percent of the approved locations every two years to ensure that its resources are being appropriately allocated, both during the school year and the summer months. Those sites that no longer fit the criteria should be removed or reassigned in order to provide critical coverage to locations that meet the criteria for a crossing guard. An automatic study of a location should occur whenever a new traffic control device is installed at an intersection that has an assigned crossing guard. If current City resources are insufficient to conduct a study of all crossing guard sites, the City could enlist outside services to assist with the study process. The City must use its limited resources as effectively as possible, and identifying the sites that comply with the criteria will allow the City to optimize crossing guard distribution.

#### **2. Cooperation with the School District**

Since this service is intrinsically related to the school district, cooperation between the LBUSD and the City is vital to ensuring that this service is provided effectively and serves the needs of the community, LBUSD, and the City. It is recommended that the City continue to work with LBUSD and the community to update the "Suggested Routes to School," when necessary, which allows all parties to better plan how to get children safely to schools and determine where crossing guards will be necessary to assist them. Designing routes through neighborhoods and recommending crossings with existing traffic control devices will enhance the safety of the children and allow the City to place crossing guards where they can be the most effective. A review of the busing system can also help optimize this

service, as currently some locations are staffed longer than others primarily due to bus schedules. Other methods of busing or more efficient scheduling may reduce the need for extra crossing guard hours to accommodate the current busing schedule. It is also recommended that a study be conducted anytime a school has a boundary change, so it can be determined where the optimal location for the guard should be due to the changed service area.

### **3. Explore New Funding Opportunities**

The City is currently facing a projected budget deficit of approximately \$63 million for the next fiscal year. It is recommended that the City pursue new funding opportunities or service provision methods to reduce the cost of the crossing guard program, while continuing to provide quality service. The endorsed Three-Year Financial Strategic Plan (Plan) contemplates a reduction of \$750,000 in the cost of the service in FY 05 and an additional \$662,000 in savings in FY 06 by transferring the cost of this service to the LBUSD. At this point in time, this transfer of fiscal responsibility does not appear feasible. The City must find another way to reduce the costs of the program, or find other viable alternative reductions in the Police Department to make up the savings called for in the Plan.

Public-private partnerships may be one potential funding opportunity, where private or non-profit organizations can accept donations and then contract with the City to provide a City-administered crossing guard at a designated school or intersection. Sponsorship by private businesses or community groups of select crossing guard locations may also be a potential funding source (i.e., a program similar to the "adopt-a-street" program).

Another cost-saving approach is contracting-out this service to a private agency. The City of Bellflower recently transitioned from city-employee guards to contract-employee guards as a measure to achieve cost-savings, while not compromising services to the community. Contracting with a private agency can significantly reduce the cost of the service, particularly due to lower workers' compensation, administration, and personnel costs, as well as increased efficiencies from economies of scale.

The City could also enter into an agreement with the LBUSD through a Memorandum of Understanding (MOU) to provide a set level of funding and allow them to administer the program. Guards would still be assigned through the current process in compliance with the ordinance; however, the LBUSD would have the ability to determine how to provide the service along with the hours required to meet their needs.

Furthermore, some cities have strong and effective volunteer crossing guard programs. Volunteers in Long Beach could not at present supplant the City's paid guards due to a section of the Municipal Code regarding

use of volunteers; however, volunteers that are appropriately trained by the City could serve to supplement any sites that do not meet the requirements of the ordinance. While there are some drawbacks to using volunteers such as decreased reliability and liability issues, other cities such as Fresno, CA have used them effectively. The City of San Antonio, TX has blended their 250 part-time paid crossing guards with almost 10,000 student members of the volunteer "School Safety Patrol" to provide professional crossing guards at key locations, while supplementing less busy locations with student volunteers. The California Education Code allows the school district to hire their own guards, use volunteers or use Student Pedestrian Patrol around the school. Volunteer guards could be trained by the City yet administered and organized by the LBUSD or a non-profit or private organization.

The LBUSD currently has a volunteer program in place at Garfield and Franklin elementary schools. Creating a partnership between the City and LBUSD to support this service could strengthen the current efforts by the LBUSD to create a volunteer crossing guard program and address a service need without increasing cost to the City's General Fund and provide service in areas that do not currently qualify for a paid City crossing guard. Representatives from the City and the LBUSD are currently meeting to discuss partnering opportunities that could help save both agencies' resources by eliminating duplication.

#### **4. Explore Corollary Pedestrian Safety Systems**

Crossing guards are just one means by which the safety of pedestrians and students can be promoted. The City should continue to make a concerted effort to improve school zone traffic mitigation strategies where necessary and feasible, including increased signage, paint and more stringent enforcement. These measures, in conjunction with the updated "Suggested Routes to School" and proper guard deployment should increase the effectiveness of the City's efforts to safeguard students.

May 3, 2004

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**Next Steps**

This issue will be discussed this spring with the Mayor and City Council as part of the updated Three-Year Plan and FY 05 Budget process. City staff will continue to work closely with the LBUSD to determine if partnering can reduce the costs of this program or if an expansion of the volunteer program is feasible. This report will also be brought to PSAC for their input on the City's proposed recommendations.

CFS:TM

Comemo\_CrossingGuards

(Attachments)

CC: J.C. Squires, Assistant City Auditor  
Christine F. Shippey, Assistant City Manager  
Suzanne R. Mason, Deputy City Manager  
Anthony Batts, Police Chief  
Christine F. Andersen, Director of Public Works

# ATTACHMENT A

## Municipal Code Chapter 10.68 "Adult Crossing Guards"

"An intersection utilized by at least twenty (20) children per hour in coming to and from elementary school shall be deemed hazardous for purposes of this Section, if special problems exist and it is deemed necessary to assist children in crossing a street, such as where the intersection is unusually complicated, presents a heavy vehicular turning pattern or high vehicular speed, where the sight distance is less than a reasonable stopping distance from the crosswalk, or where any one of the following three conditions exist:

**a) Uncontrolled Crossings on the Route to School**

Where there is no controlled crossing or grade separation within 600 feet of the location where a request for an adult crossing guard is made and one of the following conditions exist:

- 1) Where the vehicular traffic volume exceeds the rate of 300 per hour during the time school children are required to cross while traveling to or from school; OR
- 2) Where the vehicular traffic volume exceeds the rate of 272 per hour and the posted speed limit is 35 to and including 45 miles per hour, OR
- 3) Where the vehicular traffic volume exceeds the rate of 250 per hour and the posted speed limit is 50 miles per hour or more.

**b) Stop Sign Controlled Crossings on the Route to School**


Where the vehicular traffic volume through the crosswalk children must use on an undivided roadway of four or more lanes exceeds the rate of 500 per hour during any period when children are required to go to or from school.

**c) Signal Controlled Crossings on the Route to School**

At traffic signals where potentially conflicting vehicular turning movements through the crosswalk children must use exceed the average rate of 10 vehicles per minute of signal green time, taken over a period of at least 15 minutes of signal green time, during any period when children are required to go to or from school."

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03 APR 17 PM 3:49

**Date:** April 22, 2003  
**To:** Honorable Mayor and Members of the City Council  
**From:** Councilmember Tonia Reyes Uranga, Seventh District   
**Subject:** **AGENDA ITEM: School Crossing Guards Program**

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Maintaining staffing level necessary to meet community safety needs is a strategic action (S1.9) set forth as a Community Safety goal in the 2010 Strategic Plan. Increasing the safety of Long Beach youth is also a goal (Y8) under the Strategic Plan's Education and Youth section. One area where these two goals merge is in providing our youth with safe routes to get to and from school.

The Pedestrian Safety Taskforce determines the assignment of school crossing guards under Chapter 10.68 of the Long Beach Municipal Code. Under Section 5.1.10 of the Acting City Manager's Three-Year Financial Strategic Plan, the responsibility for funding school crossing guard services is recommended for transfer to the Long Beach Unified School District (LBUSD). This recommendation is being made as the LBUSD expands the number of schools that may require additional crossing guards. Additionally, the City has sponsored SB 848 (Karnette) to provide funding for "school pedestrian-bicyclist safety programs" that may be allocated for crossing guards services.

While the Acting City Manager's recommendation may be phased in over a period of three-years to provide LBUSD time needed to put its funding in place, possibly develop a volunteer program, or look for alternate savings, an assessment of the current crossing guards staffing levels is necessary to assist the City and LBUSD better determine the most effective deployment of resources related to the school crossing guard program.

**Suggested Actions:** Refer to Acting City Manager, City Attorney and City Auditor for a Management Review of the School Crossing Guard program and report back to City Council within 90 days.

Request City Attorney to draft a Resolution in support of SB 848 (Karnette).